

Montana Wheat and Barley Committee Fall Board Meeting
WHEAT Building Conference Room – Great Falls, MT
October 9, 2008

The following were present for either a portion or the entire meeting.

DIRECTORS

Brian Kaae

Mel Goffena

Don Fast

Arlo Skari

Frank Schoonover

EX-OFFICIOS

Marvin Blodgett, Grain Merchandiser; Shafer Commodities, Inc.

Ron de Yong, Director; Montana Department of Agriculture

STAFF

Kim Falcon, Executive Vice President

Kolleen Spurgin, Administrative Assistant

Kara Rowe, Marketing Program Manager

GUESTS

Joel Clairmont, Deputy Director and Administrator; Agricultural Development Division;
Montana Dept. of Agriculture

Bill Herbolich, Program Specialist; Hail Program; Montana Dept. of Agriculture

Janice Mattson, Vice Chairman; U.S. Wheat Associates, Past MW&BC Director

Alan Merrill, President; Montana Farmers Union

Nancy Schlepp, Director of National Affairs; Montana Farm Bureau

Dan Kidd, Producer, Big Sandy, Representative; National Barley Growers Association,
Past MW&BC Director

Peggy Stringer, State Statistician; Montana Agricultural Statistics Service

Will Roehm, President; Montana Grain Growers Association

Bing Von Bergen, Vice President; Montana Grain Growers Association

Lola Raska, Executive Vice President; Montana Grain Growers Association

Carl Mattson, Conservation and Farm Policy Associate; Montana Grain Growers
Association

Keven Bradley, Treasurer; Montana Grain Growers Association

Lochiel Edwards, Producer, Big Sandy, President; Edventures, Inc.

David Tweet, Regional Manager; Anheuser-Busch/In-Bev, Ag Resources

Wade Malehow, Program Manager; Miller-Coors

Mark Black, Barley Manager; MaltEurop (formerly ADM)

Kurt Kammerzell, Producer, Chester; Sawfly Foundation

Todd Hansen, Producer; Sawfly Foundation

David Weaver, Professor, PhD., entomologist; Department of Land Resources and Environmental Sciences, Montana State University
Luther Talbert, Professor, PhD., spring wheat breeder; Dept. of Plant Sciences & Pathology, Montana State University

Chairman Frank Schoonover called the meeting to order at approximately 8:00 a.m. and called for public comment.

Kim Falcon, Executive Vice President, submitted the minutes from the July 1, 2008 MW&BC meeting. Deputy Director, Joel Clairmont, commented that Kim Falcon's title should be addressed throughout the document.

- 1) **M/S/C Brian Kaae/Don Fast --** That there be a change in the minutes from 7/1/2008, adding Kim Falcon's name and title to all references within the document. Aside from the above change, the board moves to adopt the minutes from 7/1/2008.
- 2) **M/S/C Arlo Skari/Don Fast –** To accept the Fiscal Year-End (08) financial report and July financial report as presented by Kolleen Spurgin.

Chairman Frank Schoonover thanked the Governor and the Montana Department of Agriculture for their recent financial support of the Terry Whiteside contract. He explained that \$50,000 will be used from state funds to pay for Terry Whiteside's contract to address the rail issues in the state. The majority of Terry's work this year has been the effort towards examination of a small rate case on behalf of the State of Montana. This allowed the MW&BC to utilize these funds for the shortfall in the contract with U.S. Wheat Associates this year. Thus, the MW&BC will be able to maintain the fully-funded member status with **U.S. Wheat Associates (USWA)**.

- 3) **M/S/C Don Fast/Brian Kaae –** To approve the movement of \$50,000 from the Whiteside & Associates contract into the U.S. Wheat Associates contract.

Chairman Schoonover and Director Melvin Goffena (District 6) reported on the USWA meeting in Kansas City, which included presentations on World Trade Organization, Genetically Modified Organism's, Phytosanitary issues, and other international topics.

Janice Mattson, Vice Chair of USWA gave an update on the activities of the organization. She reported on the World Staff meeting in Portugal in August. She also gave a synopsis of wheat quality issues, her upcoming visit to China, the current Food Aid situation, the Farm Ag Service, and other international topics. She will be leaving USWA in 2010, and reminded the board that USWA will hold their summer 2010 meeting in Montana.

Director Brian Kaae (District 1) reported that the **Wheat Foods Council (WFC)** has been busy with the Urban Wheat Field Project in New York City and it was successful.

Director Don Fast (District 2) and Director Arlo Skari (District 3) updated the board on the **U.S. Grains Council (USGC)**, and the July meeting in Anchorage, AK. Topics included overseas issues, the possible merging of U.S. Corn Growers with USGC, and domestic concerns.

Marvin Blodgett, Grain Merchandiser and Grain Trade Representative, gave an overall view of the current **market situation**, as well as an update on elevator issues.

Ron de Yong, Director, **Montana Department of Agriculture**, reported on state issues including camelina, representation of the organic grain industry, the State Grain Lab and the possible upcoming changes in Legislature once the elections are completed.

Chairman Schoonover reported that the **spending authority** issue is being investigated by the board's attorney, Cort Jensen. An Ad Hoc meeting is scheduled to review his findings on Oct. 15th.

Director Fast reported on his recent trip to the **Dominican Republic (DR) and Chile**. The D.R. Trade Team is scheduled to visit Montana in January.

It was reported that our Montana representatives offered to host a **Northern Crops Institute (NCI)** meeting in November 2009.

Director Fast agreed to attend the **Wheat Marketing Center** meeting in Portland, Oregon on October 23 and 24.

Executive Vice President Falcon reported on **transportation issues**, as well as the recent **trade team visits**. She mentioned that chemical residue standards may be more of an issue this year, especially in the Asian markets.

4) M/S/C Arlo Skari/Don Fast – To approve upcoming travel for staff and Directors.

Will Roehm, President; Montana Grain Growers Association (MGGA), gave updates for **MGGA** and its marketing strategies. Lola Raska, Executive Vice President; MGGA followed with specifics on the Farm Bill, including the SURE & ACRE programs. They also discussed the Food Aid issue.

Alan Merrill, President; **Montana Farmers Union**, updated the board on the upcoming convention (Oct. 23-25) and planned activities.

Nancy Schlepp, Director of National Affairs; **Montana Farm Bureau**, reported on the upcoming convention (Nov. 9-12).

David Tweet, Representative; **AB/INBEV**, Mark Black, Representative, **MaltEurop (formerly ADM)**; and Wade Malehow, Representative; **Miller/Coors**, gave updates on

the status of the local/domestic malt barley industry. They reported that Montana produced good malt barley this year and an update was given on completed mergers.

Chester producer, Kurt Kammerzell, informed the Committee of his new foundation dedicated to addressing the sawfly problem in Montana. He established the **Sawfly Foundation** to raise producer funds and eventually get legislative support to be used to further sawfly research.

David Weaver, Professor, PhD., Entomologist; Montana State University, gave a presentation on the current **sawfly research status** at MSU which included the successes and challenges.

Peggy Stringer, State Statistician, **Montana Agricultural Statistics Service** distributed the recent Crop and Weather reports. All Wheat production was up 10% and Durum was down 5%. Peggy also announced that she will be retiring in January after 32+ years of service.

It was announced that the next board meeting, a half day session, will be held during the MGGA Convention on December 2nd at 1:00 pm at the Wheat Building Conference Room.

The meeting was adjourned at 4:00pm.

I:\MINUTES & BUDGETS\MINUTES\FY2008 Minutes